

DEPARTMENT OF BENEFIT PAYMENTS  
744 P Street, Sacramento, CA 95814



July 16, 1976

ALL-COUNTY LETTER NO. 76-99

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: NONASSISTANCE FOOD STAMP QUALITY CONTROL DATA, JULY - DECEMBER 1975

REFERENCE:

Attached is an analysis of the Nonassistance Food Stamp Quality Control findings from the July - December 1975 review period. This analysis has been submitted to FNS as part of California's Semi-Annual Performance Report. Twenty-nine counties, those with over 1,000 nonassistance cases, participated in the Food Stamp Quality Control Program during that period. Based on December 1975 data, these counties represented 95 percent of the total non-assistance caseload.

The aggregate case error rate for July - December 1975 was 41.3 percent; the aggregate dollar error rate was 19.1 percent. In comparison to the previous January - June 1975 review period, the aggregate case error rate decreased 7 percent and the aggregate dollar error rate decreased 11.2 percent.

	<u>January-June</u> <u>1975</u> <u>(percent)</u>	<u>July-December</u> <u>1975</u> <u>(percent)</u>	<u>Changes</u> <u>in rates</u>
CASES:			
Ineligible households .....	11.6	10.3	-1.3
Undercharges/over- issuances .....	22.2	21.3	- .9
Overcharges/under- issuances .....	<u>10.6</u>	<u>9.7</u>	<u>- .9</u>
Aggregate case error rate ....	44.4	41.3	-3.1

**OBSOLETE**

Superseded by ACL 77-15

	<u>January-June 1975 (percent)</u>	<u>July-December 1975 (percent)</u>	<u>Changes in rates</u>
DOLLARS:			
Ineligible households .....	11.6	9.1	-2.5
Undercharges/over- issuances .....	7.3	7.6	+ .3
Overcharges/under- issuances .....	<u>2.6</u>	<u>2.4</u>	<u>- .2</u>
Aggregate dollar error rate ..	21.5	19.1	-2.4


Comparable data for other states has not yet been released by FNS for the July - December review period, so California's progress cannot be evaluated against national trends at this time.

Errors in monthly income computation, deductions determination, and procedural errors due to administrative complexities were major sources of case and dollar errors. Significant progress was made by local agencies in reducing procedural errors. However, errors due to monthly income computation increased appreciably and currently comprise over one-half of all case and dollar errors. Analysis of the causes of these errors indicates that local agencies should emphasize in training and other corrective actions: 1) the importance of informing recipients of their reporting responsibilities, and 2) requirements for timely agency action on reported changes in income.

These statewide error trends indicate broad problem areas which may differ in scope and intensity at the local level. Food Stamp Program reviews are being conducted by state staff in all counties this year and next in order to focus problem identification and causal analysis on individual county food stamp operations. Local agency corrective action plans are being developed by state and local agency staff which specifically address individual county problem areas identified by these reviews. A state corrective action plan has also been developed which outlines those corrective actions more appropriately initiated at the state or federal level. To achieve our goal of reducing program error and loss in the administration of California's Food Stamp Program requires a joint county, state and federal effort. Your continued cooperation and hard work is recognized and appreciated.

Any questions or comments regarding the data analysis should be addressed to Ms. Charlotte Doisy of the Food Stamp Systems Bureau, at (916) 445-9537.

Sincerely,

  
 KYLE S. MCKINSEY  
 Deputy Director

Attachment

cc: CWDA  
 FNS, USDA

Nonassistance Food Stamp  
Quality Control Data  
Analysis  
July - December 1975

Prepared by  
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Department of Benefit Payments  
State of California  
April 1976

Nonassistance Food Stamp  
Quality Control Data  
Analysis  
July - December 1975

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## I. Introduction

### A. Aggregate Error Rates

The QC data were analyzed from two perspectives - case errors and dollar errors. The aggregate case and dollar error rates are as follows:

#### Case Error Rates

	January-June 1975 %	July-December 1975 %	Change In Rates %
Ineligible Households	11.6	10.3	- 1.3
Undercharges	21.4	20.3	- 1.1
Overissues	.8	1.0	+ .2
Overcharges	10.3	9.5	- .8
Underissues	<u>.3</u>	<u>.2</u>	<u>- .1</u>
Aggregate Case Error Rate	44.4%	41.3%	- 3.1%

#### Dollar Error Rates

	January-June 1975 %	July-December 1975 %	Change In Rates %
Ineligible Households	11.6	9.1	- 2.5
Undercharges and Overissues	7.3	7.6	+ .3
Underissues and Overcharges	<u>2.6</u>	<u>2.4</u>	<u>- .2</u>
Aggregate Dollar Error Rate	21.5%	19.1%	- 2.4%

#### Case Error Rate: Negative Actions

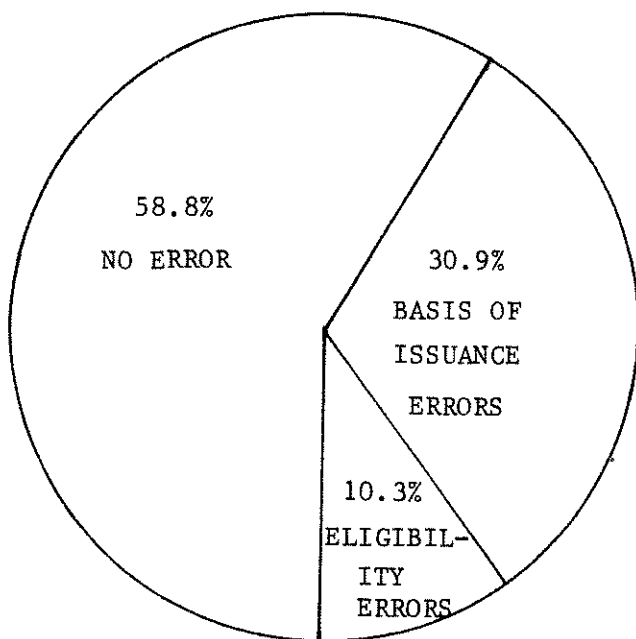
	January-June 1975	July-December 1975	Change In Rates
Invalid Decisions	5.9%	11.0%	+ 5.1%

A general downward trend in case and dollar errors was again experienced this six-month period. The aggregate case error rate decreased 7 percent and the aggregate dollar error rate 11.2 percent. The exception to this downward trend is the error rate for invalid decisions which increased 86.4 percent.

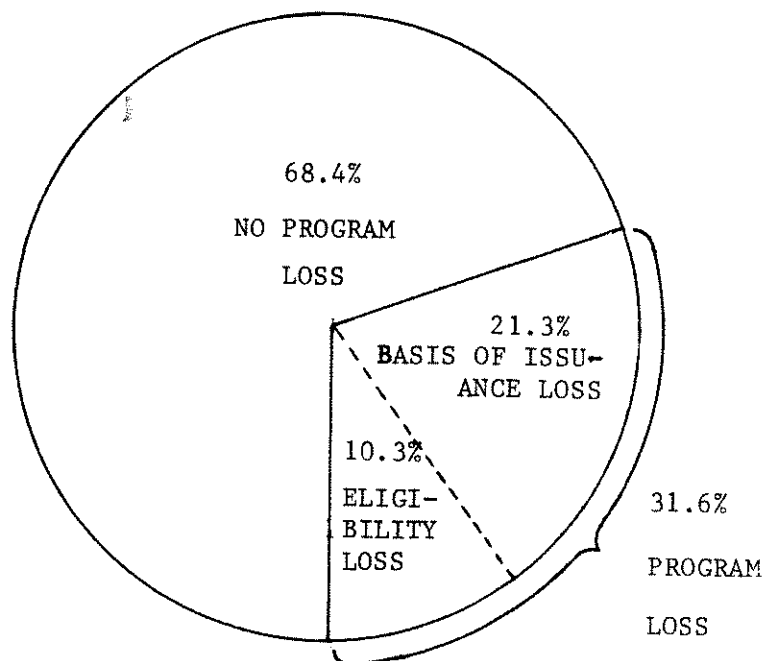
B. Summary of QC Findings

Four hundred fifty cases (450) or 41.2 percent of the total sample contained either eligibility or basis of issuance errors. Three hundred forty-four (344) of the error cases, 31.6 percent of the total sample, resulted in a potential program loss. 1/

DISTRIBUTION OF CASE ERRORS  
IN SAMPLE



DISTRIBUTION OF PROGRAM LOSS  
IN SAMPLE



The QC data from the July-December, 1975 review period for those cases involving potential program loss revealed several major error concentrations: income accounted for 58.7 percent of total case errors and 53.5 percent of total bonus dollar loss; deductions accounted for 18.6 percent of total case errors and 10.1 percent of total bonus loss; other total (includes procedural errors) accounted for 8.7 percent of total case errors and 14.3 percent of total bonus dollar loss; work registration accounted for 5.8 percent of total case errors and 10 percent of total bonus dollar loss.

1/ 106 cases, 9.7 percent of the sample, contained basis of issuance errors-- (overcharges and underissuances) which result in potential recipient loss rather than potential program loss.

In those cases involving a potential program loss, agency error comprised 54.1 percent of total case errors and 53.9 percent of total bonus dollars lost. Recipient error was responsible for 45.9 percent of all case errors and 46.1 percent of total bonus dollars lost. When major error concentrations involving program loss are examined, agency error comprised 44.6 percent of all total case errors in monthly income and 38 percent of total bonus dollars lost. Recipient error accounted for 55.4 percent of the total case errors and 62 percent of total bonus dollars lost. In the area of deductions agency error accounted for 60.9 percent of total case errors and 66.1 percent of total bonus dollars lost. Recipient error comprised 39.1 percent of total case errors and 33.9 percent of total bonus dollars lost. In the area of work registration, 85 percent of case errors and 85.6 percent of total bonus dollars lost were due to agency errors. Recipient error accounted for 15 percent of case errors and 14.4 percent of bonus dollars lost. "Other total" errors were exclusively agency caused. Agency errors include such items as incorrect application of policy, computation errors, and failure to take indicated action. Recipient error involves provision of incorrect or incomplete information and failure to report changes in circumstances.

How do these major error concentrations compare with those of the previous six-month period? The following chart compares the two periods:

Error Concentration	January-June 1975	July-December 1975	Change
<u>Case Errors</u>			
Monthly Income	40.5%	58.7%	+18.2%
Deductions	21.0%	18.6%	- 2.4%
Work Registration	11.0%	5.8%	- 5.2%
"Other Total"	11.0%	8.7%	- 2.3%
<u>Dollar Errors</u>			
Monthly Income	42.2%	53.5%	+11.3%
Deductions	8.5%	10.1%	+ 1.6%
Work Registration	19.7%	10.0%	- 9.7%
"Other Total"	20.2%	14.3%	- 5.9%

While detailed analysis of the various error concentrations is contained in the data analysis section of this report, it is evident that the most dramatic changes occurred in the areas of monthly income and work registration. Case errors in monthly income increased 44.9 percent and dollar errors 26.8 percent. Case errors in work registration decreased 47.3 percent and dollar errors 49.2 percent.

From the above listing of the case and dollar error rates of the major error concentrations, it would appear that agencies are making great improvements in reducing the occurrence of the predominantly agency caused procedural and work registration errors. Such an improvement did not occur in the other two major error concentrations. As noted above, both the monthly income case and dollar error rates increased by substantial amounts. This increase in monthly income errors appears to be due to the increase in agency caused errors. The growth of agency caused errors in monthly income determination can be seen in the following chart:

	January-June 1975	July-December 1975	Change
% of Monthly Income			
Case Error Rate:			
Agency	39.6%	44.6%	+ 5.0%
Recipient	<u>60.4%</u>	<u>55.4%</u>	- 5.0%
	100.0%	100.0%	
% of Monthly Income			
Dollar Error Rate:			
Agency	32.6%	38.0%	+ 5.4%
Recipient	<u>64.4%</u>	<u>62.0%</u>	- 2.4%
	100.0%	100.0%	

Thus, even though the majority of monthly income errors are recipient caused, the proportion of those errors which are agency caused is increasing, while those that are recipient caused is decreasing.

Little improvement occurred in deductions, with the case error rate decreasing slightly and the dollar error rate increasing slightly. Again, this increase in the dollar error rate appears to be due to an increase in the portion of agency caused errors. The portion of the deductions dollar loss due to agency error increased from 60.5 percent to 66.1 percent. The recipient caused portion of these losses decreased accordingly, from 39.5 percent to 33.9 percent.

#### C. Statistical Summary

The following charts summarize case and dollar errors by type of error and by major cause of error, for ineligibility, undercharge and overissuance errors.

Most of the ineligibility agency errors were procedural in nature i.e., due to work registration or procedural errors. Computation errors continue to be a minor contributor to agency ineligibility errors. Recipient ineligibility errors occurred most frequently in monthly income and resources.



In examining basis of issuance errors, recipients made more errors in monthly income, while agencies made more errors in deductions determination. This same trend was noted during the last six-month period. As noted previously, while recipients still cause a majority of the errors in monthly income, the portion of monthly income errors that are agency caused is increasing.

Overall, most of the agency errors were due to the agency failure to correctly apply policy and to take indicated action. Recipient errors were fairly evenly split between recipient failure to provide correct or complete information and to report changes in circumstances.

A more detailed analysis is contained in the Data Analysis section of this report.

## Ineligibility, Undercharge and Overissuance Errors

	Agency Errors			Recipient Errors		
	Policy Incorrectly Applied	Computation or transcription error	Failure to take indicated action	Information provided is incorrect or incomplete	Change in circumstances not reported	Total
I. Ineligible Households	25.0%	5.4%	19.6%	22.3%	24.1%	100.0%
A. Monthly Income	10.2%	6.1%	14.3%	20.4%	46.9%	99.9%
B. Other Total	47.6%	9.5%	28.6%	-0-	-0-	100.0%
C. Work Registration	60.0%	-0-	25.0%	10.0%	5.0%	100.0%
D. Resources	9.1%	-0-	27.3%	54.5%	9.1%	100.0%
II. Undercharges & Overissuances	13.4%	15.1%	22.0%	20.3%	25.4%	100.1%
A. Monthly Income	10.5%	11.1%	22.9%	22.9%	28.8%	100.1%
B. Deductions	23.0%	14.8%	18.0%	18.0%	21.3%	100.0%

Percentage Distribution of Dollar Errors

By Major Cause of Error

Ineligibility, Undercharge and Overissuance Errors

	Agency Errors				Recipient Errors		
	Policy Incorrectly Applied	Computation or transcrip- tion error	Failure to take indi- cated action	Other	Information provided is incorrect or incomplete	Change in circumstances not reported	Total
I. Ineligible Households	30.0%	3.2%	18.0%	4.7%	24.2%	19.8%	99.9%
A. Monthly Income	13.2%	3.0%	13.1%	.6%	28.1%	42.1%	100.1%
B. Other Total	44.1%	7.7%	29.1%	19.2%	-0-	-0-	100.1%
C. Work Registration	71.5%	-0-	14.1%	-0-	10.6%	3.8%	100.0%
D. Resources	11.6%	-0-	16.8%	-0-	56.6%	14.9%	99.9%
II. Undercharges & Overissuances	15.6%	8.3%	24.4%	3.1%	23.1%	25.5%	100.0%
A. Monthly Income	8.7%	4.9%	25.6%	4.2%	27.3%	29.3%	100.0%
B. Deductions	38.5%	7.5%	16.8%	.9%	17.1%	19.1%	99.9%

# Distribution of Case Errors

## By Major Cause of Error

### Ineligibility, Undercharge and Overissuance Errors

	Agency Errors				Recipient Errors		
	Policy Incorrectly Applied	Computation or transcrip- tion error	Failure to take indi- cated action	Other	Information provided is incorrect or incomplete	Change in circumstances not reported	Total
I. Ineligible							
Households	28	6	22	4	25	27	112 <sup>1/</sup>
A. Monthly Income	5	3	7	1	10	23	49
B. Other Total	10	2	6	3	-0-	-0-	21
C. Work Registration	12	-0-	5	-0-	2	1	20
D. Resources	1	-0-	3	-0-	6	1	11
II. Undercharges & Overissuances	31	35	51	9	47	59	232 <sup>1/</sup>
A. Monthly Income	16	17	35	6	35	44	153
B. Deductions	14	9	11	3	11	13	61

1/ 344 cases out of the 1,091 reviewed contained errors resulting in potential program loss.

D. Case Completion Rates

Of the 1,560 active cases in the sample, 1,091 cases were completed. The disposition of active cases in the sample breaks out as follows:

1,560	Active Cases in sample
- 108	Cases not subject to review
1,452	Reviewable cases
- 258 <sup>1/</sup>	Reviews not completed <sup>1/</sup>
1,194	Potential completions
- 103 <sup>2/</sup>	Unprocessed reviews <sup>2/</sup>
1,091	Active cases completed

California completed 90.9 percent of the required 1,200 case sample. However, it should be noted that only 75.1 percent of the cases subject to review were completed.

Except for the unprocessed reviews, the problems California has experienced in completing 1,200 cases can be attributed to county problems in correctly pulling the sample, including proper determination of the FSQC universe. The 103 unprocessed cases were caused by the failure of some FSQC counties to complete the review cycle. Relatively few counties were noncompliant in this area, with 82.5 percent of the unprocessed cases attributable to two counties. To assure accurate sampling and timely completion of case reviews in the future, the state agency has assumed responsibility for the conduction of FSQC reviews as of January 1, 1976.

<sup>1/</sup> These are reviews not completed because reviewers were unable to locate household (90), recipient was unwilling to provide information (140) and "other" (28) reasons.

<sup>2/</sup> These are cases which counties did not clear for statistical processing, including reviews not completed within the time limit for inclusion in the six-month report.

## II. DATA ANALYSIS

The following is an analysis of the error rate data for error categories where federal tolerance limits were exceeded. These were:

- a. Ineligible Households
- b. Basis of Issuance
  - 1) Undercharges/Overissues
  - 2) Overcharges/Underissues
- c. Negative Actions

All error categories were analyzed from two perspectives--case and dollar errors.

### A. Errors Resulting in a Potential Program Loss

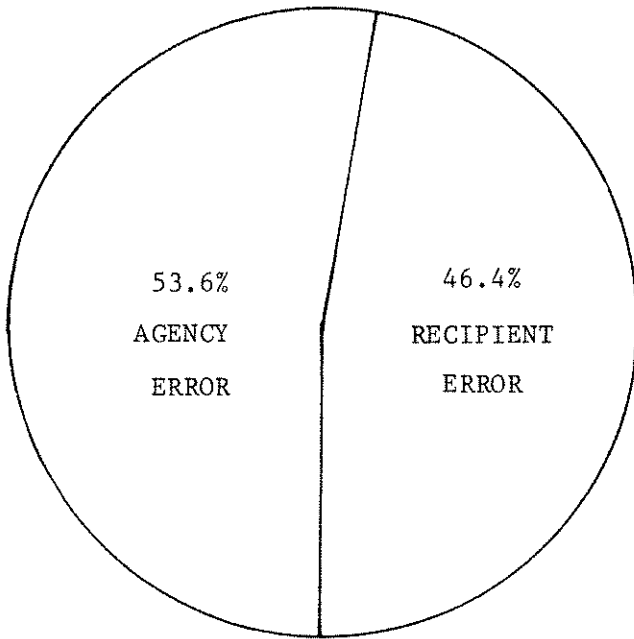
#### 1. Ineligible Households

##### a. Summary

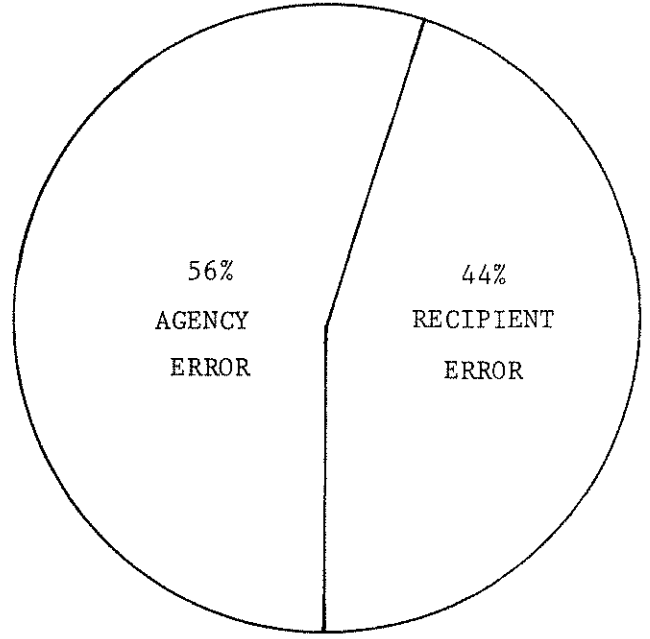
In comparing the figures from July through December 1975 to those of the January through June 1975 Food Stamp Quality Control (QC) review period, the case error rate decreased 11.2 percent (from 11.6 percent to 10.3 percent) and the dollar error rate decreased 21.6 percent (from 11.6 percent to 9.1 percent). In examining individual program categories, the decrease in monthly income computation errors experienced during January through June 1975 was reversed in the July through December period. Case errors in monthly income computation increased 71.1 percent--from 25.6 percent to 43.8 percent. The percentage of bonus dollars lost increased 74.4 percent--from 22.7 percent to 39.6 percent. This increase can be attributed to an increase in errors by both agencies and recipients, since the proportion of the errors caused by both is not significantly different from the last six-month period. Errors in work registration were substantially reduced. Case errors decreased 44.1 percent--from 32.0 percent to 17.9 percent--and the percentage of bonus dollars lost decreased 42.8 percent--from 32.0 percent to 18.3 percent. The "other total" figure, comprised primarily of procedural errors caused by administrative complexities, also decreased. Case errors decreased 32.1 percent--from 27.7 percent to 18.8 percent--and bonus dollars lost decreased 27.9 percent--from 32.6 percent to 23.5 percent. It is apparent that agencies are making good progress in reducing ineligibility errors in work registration and "other total" (procedural errors).

Agency error comprised 56 percent of the bonus dollars lost and 53.6 percent of the error cases. Recipient errors accounted for 44 percent of the bonus dollars lost and 46.4 percent of the error cases. The most frequent type of agency error was failure to apply correct policy. Recipient errors were fairly evenly divided between failure to provide correct and complete information and to report changes in circumstances. While most of the agency errors were in work registration, monthly income and other total, approximately two-thirds of the recipient errors occurred in monthly income.

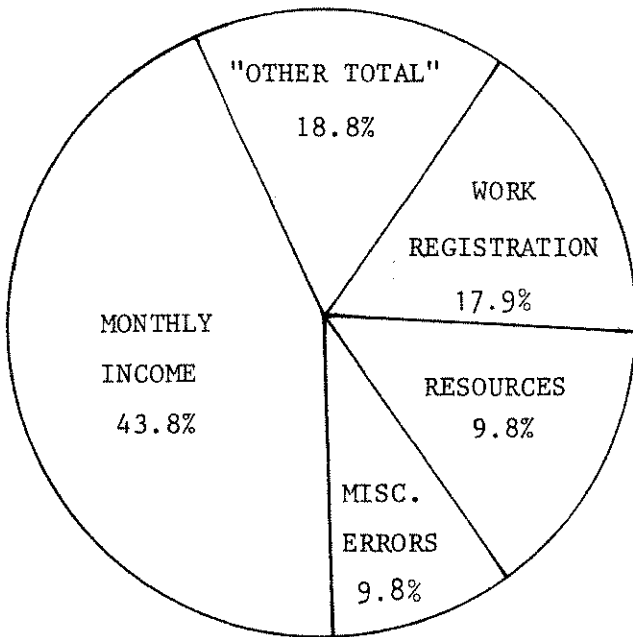
INELIGIBILITY  
AGENCY/RECIPIENT  
CASE ERROR RATE



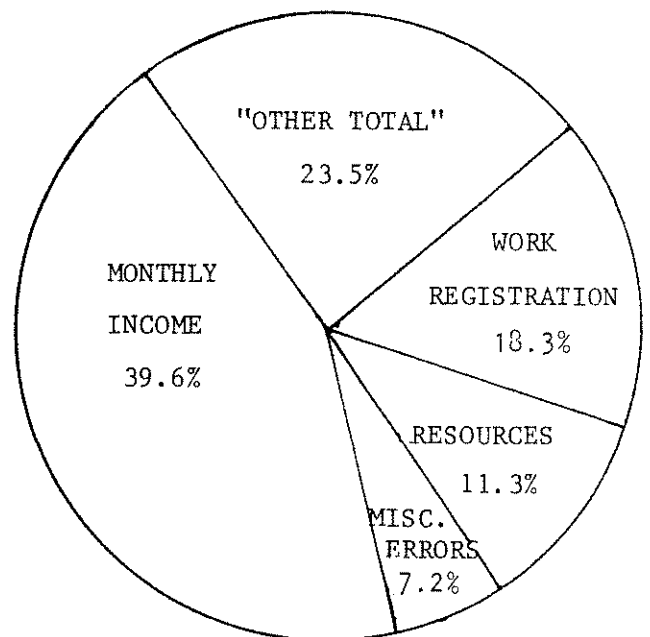
INELIGIBILITY  
AGENCY/RECIPIENT  
DOLLAR ERROR RATE



INELIGIBILITY  
CASE ERROR RATE



INELIGIBILITY  
DOLLAR ERROR RATE





b. Major Error Categories

Monthly income accounted for 43.8 percent of the ineligibility case error rate and 39.6 percent of bonus dollars lost due to errors in eligibility determination. Approximately 70 percent of both case and dollar errors were due to recipient failure to provide correct and complete information and to report changes in circumstances. Within the monthly income component, errors in earnings and pensions were the most frequent, comprising approximately 90 percent of all errors in monthly income determination. Specifically earnings contributed 66.1 percent of the monthly income dollar error rate and 59.2 percent of the case error rate. Pensions comprised 23.7 percent of the monthly income dollar error rate and 26.5 percent of the case error rate.

Other total comprised 23.5 percent of the ineligibility dollar error rate and 18.8 percent of the case error rate. Misclassification errors accounted for approximately a quarter of both the "other total" case and dollar error rates. Relevant analysis of the rest of these procedural errors is not possible since approximately two-thirds of the errors were attributed to "other" causes. Errors in arithmetic computation was insignificant at 2 percent. All errors were agency caused.

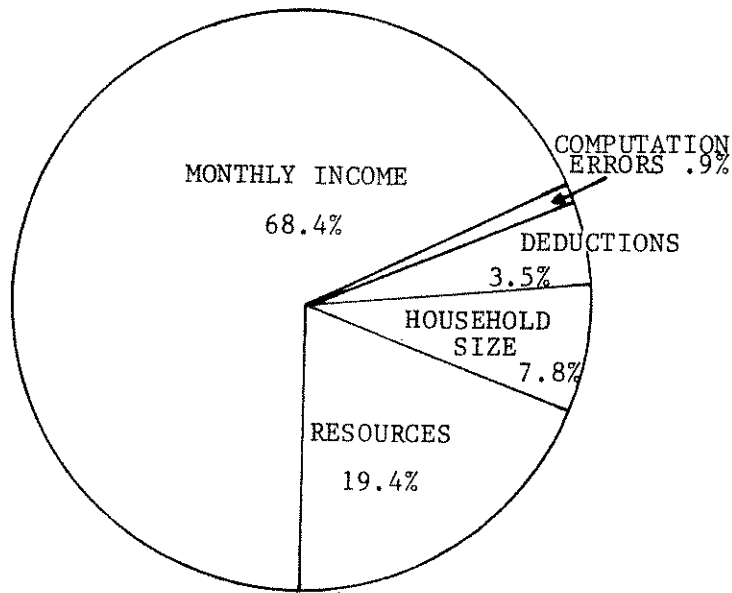
Work registration comprised 18.3 percent of the ineligibility dollar error rate and 17.9 percent of the ineligibility case error rate. Approximately 70 percent of the dollar loss was due to agency failure to correctly apply policy.

Resources accounted for 11.3 percent of the ineligibility dollar error rate and 9.8 percent of the ineligibility case error rate. Over half of the errors were due to recipient failure to provide correct information. The errors occurred in both liquid and nonliquid resources.

c. "Hard" Ineligibility Dollar and Case Errors

Of the total ineligibility dollar loss, 41.4 percent can be attributed to "soft" dollar errors caused by administrative complexities, i.e. work registration and procedural errors. Procedural errors include such errors as: processing an unsigned application; failure to provide advance notice of any action to terminate program benefits; misclassification; failure to change certification at end of advance notice period; failure to terminate participation after expiration of a prior certification period, etc. When these "soft" dollar errors are deducted from the ineligibility dollar loss, the dollar error rate decreases from 9.1 percent to 5.3 percent. The "hard" ineligibility dollar error rate for January - June 1975 was 4.4 percent. This slight increase in dollar loss due to basic eligibility criteria can be primarily attributed to the increase in monthly income computation errors.

"HARD" INELIGIBILITY DOLLAR ERRORS

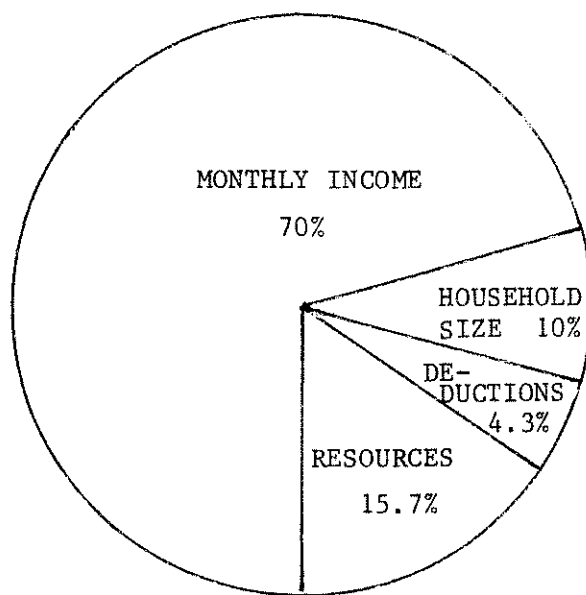


Of the "hard" dollar losses, 70.2 percent were due to recipient error and 29.8 percent to agency error. Hard dollar losses can be broken down as follows:

Monthly Income	68.4%
Resources	19.4%
Household Size	7.8%
Deductions	3.5%
Computation Error	.9%
	<u>100.0%</u>

Recipient failure to provide correct or complete information and to report changes in circumstances regarding monthly income accounted for 48 percent of the total hard dollar loss, making that component by far the most predominant source of error.

## "HARD" INELIGIBILITY CASE ERROR RATE



When the "soft" case errors are deducted, the ineligibility case error rate is reduced to 6.3 percent. The "hard" ineligibility case error rate was 4.9 percent for the January through June 1975 review period. This slight increase is once again a result of increased errors in monthly income computation. As can be seen from the above graph, the error concentrations correspond closely to those of the hard dollar errors.

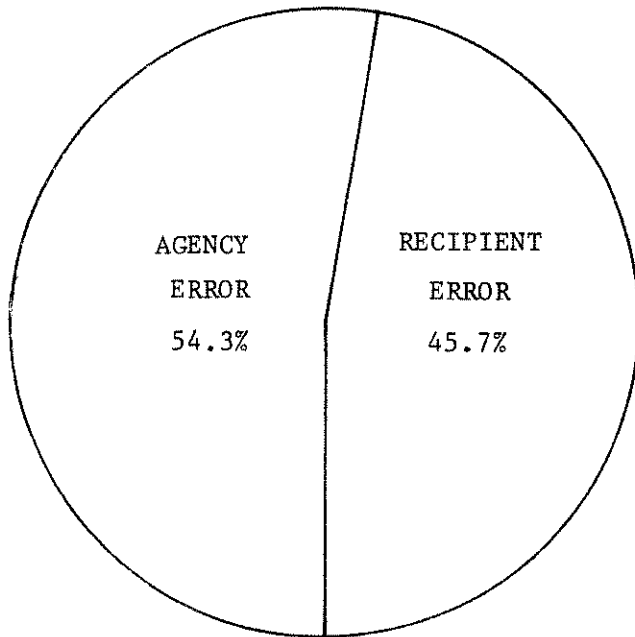
### 2. Basis of Issuance - Overissuances and Undercharges

#### a. Summary

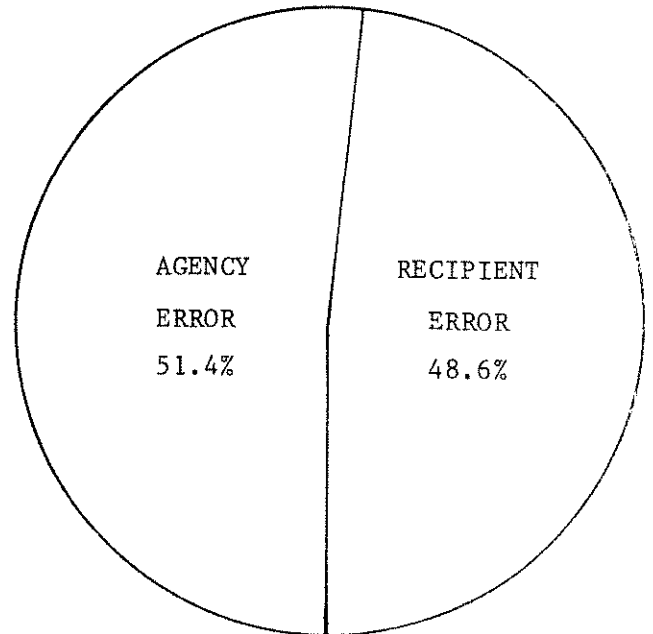
Basis of issuance errors involving overissuances and undercharges remained relatively unchanged for the third straight FSQC review period. The case error rate decreased slightly -- from 22.2 percent during January through June 1975 to 21.3 percent for the July through December 1975 review period. The dollar rate increased slightly -- from 7.3 percent to 7.6 percent. Once again errors were fairly equally spread between agency and recipient errors. Agency error accounted for 51.4 percent of the dollar error rate and 54.3 percent of the case error rate. Recipient error comprised 48.6 percent of the dollar error rate and 45.7 percent of the case error rate. The most frequent causes of error were agency failure to take indicated action and recipient failure to provide correct or complete information and to report changes in circumstances. Monthly

income and deductions once again accounted for a majority of the errors--approximately 90 percent of both the case and dollar error rates. Although the portion of errors due to monthly income did not change significantly, the percentage of those errors attributable to agency causes did increase from the January through June 1975 review period. The amount of dollar loss due to agency errors increased from 33.4 percent to 43.4 percent. The agency portion of the case error rate increased from 40.7 percent to 48.4 percent. It would appear that the overall increase in the amount of monthly income errors can be primarily attributed to an increase of agency and not recipient caused errors in this category.

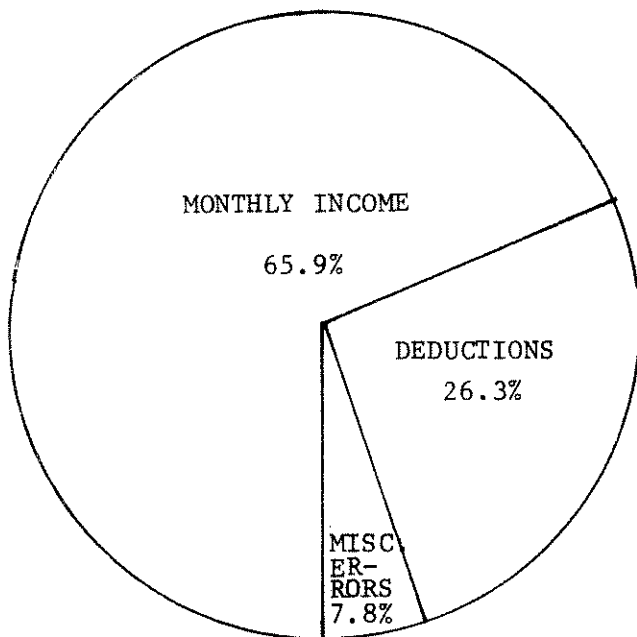
AGENCY/RECIPIENT  
OVERISSUANCE/UNDERCHARGES  
CASE ERROR RATE



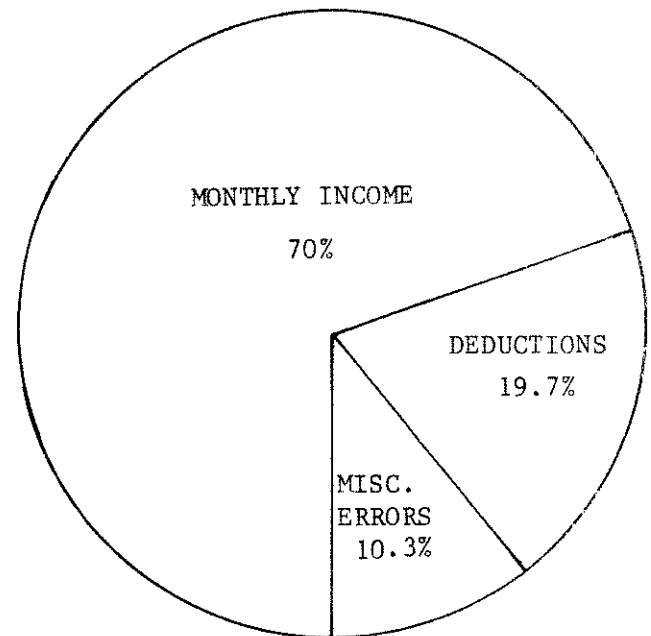
AGENCY/RECIPIENT  
OVERISSUANCE/UNDERCHARGES  
DOLLAR ERROR RATE



OVERISSUANCE/UNDERCHARGES  
CASE ERROR RATE



OVERISSUANCE/UNDERCHARGES  
DOLLAR ERROR RATE



b. Major Error Categories

Monthly income errors accounted for 70 percent of the dollar error rate and 65.9 percent of the case error rate. Within the monthly income category earnings was the major source of error, contributing 55 percent of the monthly income dollar loss and 48.4 percent of the case errors. Over 60 percent of all errors in earnings was recipient caused. Pensions accounted for 19.5 percent of the monthly income dollar loss and 22.2 percent of the case errors. Analysis is precluded on the rest of the errors since 18.9 percent of the dollar loss and 22.9 percent of the case errors were attributed to "other" causes.

Deductions were the other major error source involving overissuances and undercharges, accounting for 19.7 percent of the dollar loss and 26.3 percent of case errors. Over 60 percent of the errors were agency caused, primarily in the area of incorrectly applied policy. Shelter costs were the source of 54.2 percent of the deduction dollar loss and 50.8 percent of the case errors. About two-thirds of the errors involving shelter costs were agency caused.

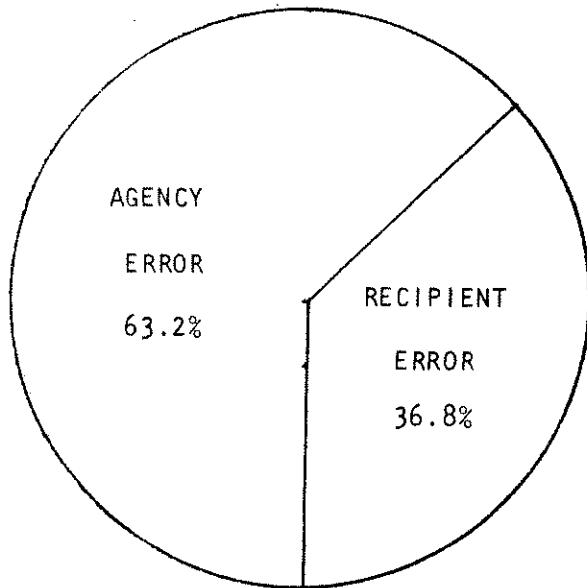
B. Errors Resulting in Potential Recipient Loss

1. Basis of Issuance - Underissuances and Overcharges

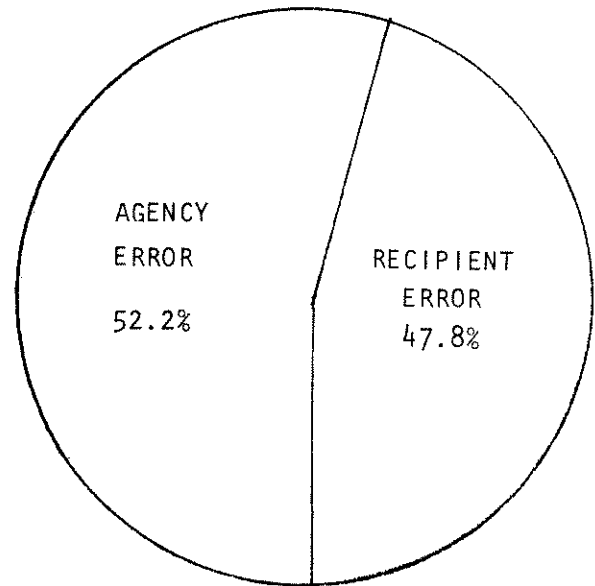
a. Summary

Underissuances and overcharges had a case error rate of 9.7 percent and a dollar error rate of 2.4 percent. Both figures represent slight decreases from the previous January through June 1975 review period, which had a case error rate of 10.6 percent and a dollar error rate of 2.6 percent. As is the case with other basis of issuance errors -- overissuances and undercharges -- the majority of errors occurred in the monthly income and deductions categories. This same trend was noted during the January through June 1975 review cycle. Dollar loss was fairly equally divided between agency and recipient error, while slightly less than two-thirds of the case errors were agency caused. Even though underissuances and overcharges do not result in a program loss, they are basis of issuance errors. As such, corrective actions directed at curbing program loss should also correct errors in overcharges and underissuances.

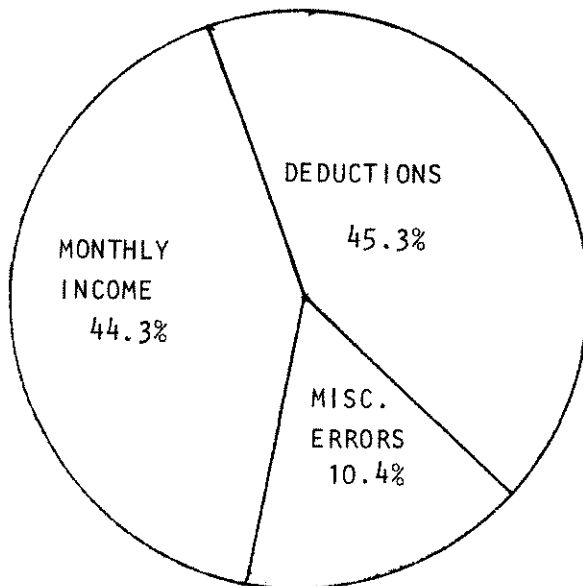
AGENCY/RECIPIENT  
OVERISSUANCE/UNDERCHARGES  
CASE ERROR RATE



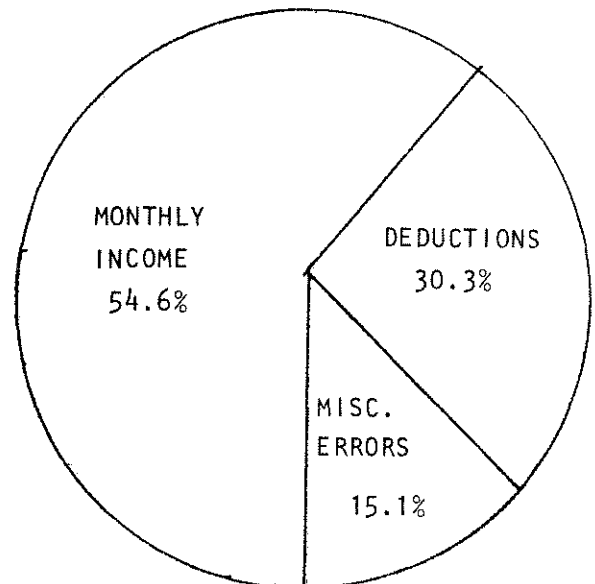
AGENCY/RECIPIENT  
OVERISSUANCE/UNDERCHARGES  
DOLLAR ERROR RATE



OVERISSUANCE/UNDERCHARGES  
CASE ERROR RATE



OVERISSUANCE/UNDERCHARGES  
DOLLAR ERROR RATE



b. Major Error Categories

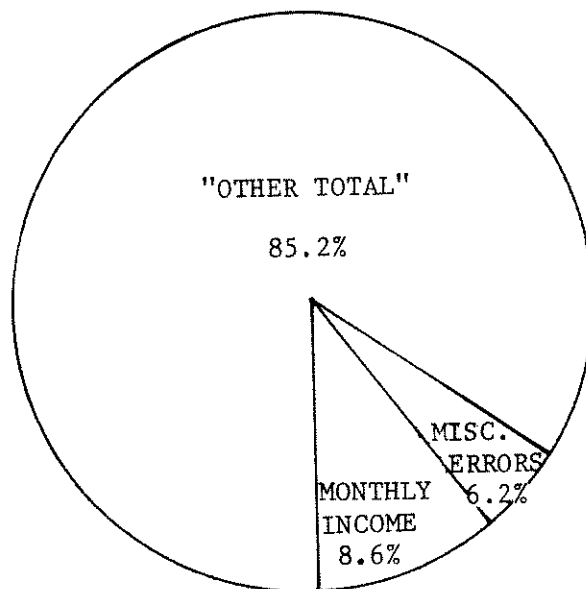
Errors in monthly income determination comprised 54.6 percent of the dollar loss and 44.3 percent of the case errors. Although the case errors were equally divided between agency and recipient causes, two-thirds of the dollar loss was attributed to recipient errors, primarily due to failure to report changes in circumstance. Earnings accounted for 62.4 percent of the monthly income dollar loss and 55.3 percent of the case errors.

Deductions accounted for 30.3 percent of the dollar loss and 45.3 percent of the case errors. Approximately 70 percent of the errors were agency caused, primarily due to agency failure to take indicated action and "other" causes. Shelter costs comprised 37.9 percent of the deductions dollar loss and 43.8 percent of the case error rate. Seventy-five percent of the dollar loss due to shelter costs was due to agency error. Medical expenses were the other major source of deduction errors, comprising 35.3 percent of the dollar loss and 27.1 percent of the case error rate.

2. Negative Actions

When compared to the last six-month period, the error rate for negative actions increased from 5.9 percent to 11.0 percent. The percentage of errors attributable to "other total" causes increased from 70 percent to 85.2 percent. One-third of these errors cannot be analyzed further since they were attributed to "other" causes. All errors were agency caused.

NEGATIVE ACTIONS  
CASE ERROR RATE





Of the "other total" errors, 40.7 percent were due to agency failure to provide advance notice of any action to terminate program benefits. Only 5.8 percent of "other total" errors were due errors in arithmetic computation, the rest of the errors being procedural in nature.